



COMMISSION MEETING MINUTES
Thursday, January 25, 2007

Tape 1 is missing and tape 2 begins here:

IV. MHSA Fund: Recommendations for Prudent Reserve

Chair Steinberg said he supports the 50 percent requirement for the prudent reserve in order to protect the level of services. The Department of Finance projection in the newly released Governor's budget states that the MHSA can expect funds of \$1.6 billion for 2007-2008 and it is anticipated that in 2008-2009 \$1.8 billion will be received. He asked if the Commission should reconsider fund recommendations in light of receiving more funds than what was originally anticipated and if there might be a better financial strategy other than putting the money in reserve given the projections.

Commissioner Poat said the motion he is presenting has been written carefully in order to establish principles. The motion and to the philosophies and would be service basis only (50 percent of the services). Commissioner Jaeger said the biggest risk is reducing client services during the early years while prudent reserve is being built. Chair Steinberg confirmed that the motion is to establish policy and does not include specific numbers. The numbers will be addressed after the policy is put into place.

Motion:

Commissioner Poat asked that the motions be broken into (1) instituting the principle of establishing reserves for programs that provide only client services; (2) the reserve level be 50 percent of the service funding levels using fiscal year 2008-2009 allocation formula as the base year for the calculation; and (3) join MHSOAC's partners in moving forward with the establishment of sub-accounts for all counties where the reserves are held. And to extend the first planning cycle to 2008-2009.

Commissioner Lee moved to establish reserves only for the client service programs of community services and support, community services and support innovation, prevention and early intervention, prevention and early intervention innovation, and education and training; seconded by Commissioner Poat. Motion carried unanimously.

Commissioner moved to establish the reserve level at 50 percent of service funding levels and to use fiscal year 2008-2009 programs as the base year for the calculation; seconded by Commissioner. Motion carried unanimously.

Commissioner Lee moved to join MHSOAC's partners (County Mental Health Directors and the State Department of Mental Health) in moving forward with the establishment of accounts for all counties where the reserves are held and to extend the first planning cycle to fiscal year 2008-2009; seconded by Commissioner Gayle. Motion carried unanimously.

V. Nomination and Election of MHSOAC Chair and Vice Chair

Chair Steinberg announced that Commissioners Lockyer, Hayashi , and Ridley-Thomas no longer sit on the Commission. Three seats remain open on the Commission. The Attorney General, the State Assembly and the Governor will soon appoint designees.

Chair Steinberg asked for nomination and election of officers.

Commissioner Poat moved to nominate and elect Commissioner Darryl Steinberg to continue as Chair; seconded by Commissioner Kolender. Motion carried unanimously.

Commissioner Diaz moved to nominate and elect Commissioner Linford Gayle to continue as Vice Chair; seconded by Commissioner. Motion carried unanimously.

VI. Award Presentation

Commissioner Doyle presented an award to Senator Chesbro who was selected as the California Legislator of the Year by the California Mental Health Advocates for Children and Youth Comanche.

VII. Presentation: MHSA Housing Initiative: Program Overview, Key Policy Issues, and Implementation Timeline

Chair Steinberg introduced Paul Dobson, a new Commissioner who was sworn in over the lunch break. Mr. Dobson is the Attorney General's appointee.

Ms. Clancy said that untreated mental illness can often lead to unemployment, increased hospitalization, increased time in jail, and homelessness. The Commission has looked at how the Mental Health Services Act can be a significant catalyst in terms of increasing supportive housing for individuals with mental illness.

Ms. Clancy introduced Terri Parker, Executive Director of California Housing Finance Agency who provided the following presentation.

- This is a unique way for the State to approach doing an initiative and for this reason it deserves a unique approach.
- The key for this initiative to be successful was the formation of a working group to come up with the program description. The working group consisted of 15 people; three local mental health directors, three developers of special needs housing, a person from each state government entity with housing dollars that could be leveraged, and some consultants.
- The working group has come up with a draft understanding of what a program description would be and is on the threshold of moving forward.
- Eight percent of the \$75 million will be set aside for the small counties to target their programs towards. The counties have come forward to contribute \$40 million towards the housing allocation.
- The housing for this initiative will be both for rental housing and shared housing. All units will have, in addition to a sleeping area, a kitchen and bathroom. The initiative target will consist of low income adults, older adults, transitional age youth with serious mental illness who are either homeless or at risk of homelessness. The County

Mental Health Department will make the assessment for those people who are determined to be at eminent risk of homelessness.

- The housing must be perceived and built as permanent supportive housing.
- It is hoped that the projects will be a combination of both single site development and mixed use.
- The working group envisions a leveraging of for every \$1 of MSHA funds there will be \$2 of other funds available for the apartment-type complexes.
- Work still needs to be done in regards to more specificity of the allocation methodology among counties; what are the monitoring, oversight and outcome measures that the county will be held accountable to; how the dollars will be allocated on a county-by-county cost basis; and whether or not the terminology for who is eligible meets every circumstance. There should be a continuation of an oversight working group to provide guidance of the implementation of this program and to provide a forum for counties with unique situations.
- The application should be ready by next month.

Jane Laciste, Chief, Special Projects California Department of Mental Health provided the following presentation.

- In acknowledging the need for long-term cost-effective housing units available as part of the system transformation, and to allow the counties the flexibility needed to bring the housing projects on-line, the Department is proposing to define housing as a service and support under the community services and support component.
- Ms. Laciste believes that she can “upfront fund” the construction and acquisition costs for the first five years, while still expanding the CSS component by the \$114 million dollars the Department has committed.
- Previously it was thought that this housing project would be funded under capital facilities but she is proposing a shift in this. She is looking at capital facilities to be service treatment facilities for administration needs to achieve the goals of the MHSA transformation.
- Moving forward with this proposal there are plans for stakeholder input through web posting, a workshop, and a statewide conference call. Housing finance and rules are complex and detailed. A workshop will be held with leaders from key constituency groups to review the program and policies in detail. A few weeks after the workshop is held, a conference call will be scheduled to allow people a better understanding of the technical aspects of the program and for more focused input.

Gale Bataille, Mental Health Director for San Mateo County provided the following presentation.

- Housing is critical in order to engage people who have been unable to access services. The core philosophy is for this project to be non-contingent and work with people around accepting the services and supports as they deem them as what they need.
- This program has come together because of experiences of what has not worked, as well as the flexibility and commitment at the State level in helping design ways to overcome the barriers.
- The housing must be affordable, of good quality, and a place that people can call home. It must be a realistic program that is streamlined and overcomes the barriers that local governments and housing developers have experienced in the past in attempting to create permanent affordable housing.
- This housing program should not be so strict in eligibility requirements that the population being served cannot meet those restrictions.
- This project clearly needs to be a flexible range of housing types that tie to what the local community needs and will accept.

- There must be an equitable funding throughout the State of California.
- There must be some understanding of what “at risk” is in terms of the target population, so it will be clear to everyone.
- It is essential that there is the ability for small counties to work either individually, or with each other, in partnerships in order to create the range of housing that is needed for them.
- There has been a rich history in the mental health arena for small counties in working collaboratively together and there is a tremendous support network. She is optimistic that housing can be available everywhere in the state.
- CMHDA strongly supports this housing program which is still in draft, however, it is important that this program operates with appropriate legal authority so that CalHFA can receive, hold and disburse the funds from the local distribution accounts.
- Detail needs to occur regarding the terms and application. It is important that the application review process, as well as the approval process, be streamlined.
- The process that the working group is developing will hopefully resolve problems that will inevitably arise and everyone will learn from this program as it moves ahead.

Jonathan Hunter, California Program Director, California Corporation for Supportive Housing provided the following presentation.

- This is the first time in the State of California that capital, operating subsidies, and services have been combined in order to create supportive housing.
- Because of this incredible innovation it will make it light years easier to develop this critical resource.
- The tool for structuring the operating subsidy will ensure that the units will have at least 20 years of affordability.
- All of the members of the work group consulted colleagues and talked to stakeholders in order to make the tremendous progress to date. This collaborative system will ensure that people who desperately need housing will get it.
- Over the last year, the Corporation for Supportive Housing and CIMH have used resources set aside by the State Department of Mental Health, to provide trainings for clusters of counties throughout the state on how to build local collaboratives to produce this kind of housing. Through these trainings, three types of counties were identified:
 - Those that already have the collaboratives, they have experience and know what they need to do and now need the resources. There could be some ribbon cutting in these types of counties soon.
 - The second group of counties know they need this kind of housing and have been trying to figure it out but need some technical assistance to get through the first few projects.
 - The third set of counties do not understand how to build the collaboratives to make high quality housing that is affordable over time that is conducive to recovery.
- California Corporation for Supportive Housing is working with the California Institute of Mental Health and CMHDA to provide training and ongoing technical assistance, as well as engagement with experienced qualified housing consultants, to work with small counties.
- He is looking at replicating a model called “Opening New Doors Supportive Housing Institute” which is an eight month team training for counties, small and large, who need experience in putting together supportive housing.

Commissioner Comments

Commissioner Diaz said she is disappointed because this initiative has no funding for parents with SED children. If a child meets the mental health definition, but the parents themselves do not meet the definition and they are homeless, how can the child and family achieve stable housing? Mr. Hunter said the work group has discussed this issue and they are clear that families with children who have special needs must have housing. He is not sure whether this initiative is the best way to provide that housing for those families, but will be very clear that this initiative does not exclude the needs of those families. There are no federal special housing funds that people can qualify for on the basis of the child's disability. However, there are no federal funds that the child's disability disqualifies the parent from accessing. The question is, "How do you use the MHSA resources to enable families to better access federal funds that they are not excluded from but that they may not qualify for just based on the child's disability".

Mr. Hunter said the work group has been clear that if there are situations that can be defined, where families with children of special needs are being routinely excluded from housing, then the initiative could develop housing specifically for this population.

Chair Steinberg said if a child meets the definition and they are homeless, this initiative needs to provide a way that the child and his/her family can be housed. He asked that the work group come back to the Commission, at its March meeting, with ideas of how this issue can be addressed. Ms. Laciste said the Department is working actively on this issue. She said children in this situation, who have a serious emotional disturbance and are homeless, qualify as a full service partnership and rental subsidies are available for these families. Commissioner Diaz said there are many children and their families who do not qualify for the full service partnership.

Commissioner Chesbro asked if the 8 percent of funding dollars is based on the population of the counties. Ms. Parker said it is her understanding that the 8 percent is greater than what would be per capita. It is 5.6 percent of the population but 8 percent of the dollars. The 8 percent solution is something that the small county group felt was equitable, and it would give them additional resources beyond the per capita that would allow them to move forward. It is very clear that the allocation will be for small counties and not the rural designation.

Commissioner Jaeger asked for clarification as to whether this project is being funded through Community Support and Services and not through Capital, as was the initial plan, and are counties putting in additional monies. Ms. Laciste said this is correct. The counties have agreed to use \$40 million of the CSS dollars for project based subsidies.

Commissioner Lee said he is concerned that this streamlined process is entering a system that is already clogged. Ms. Laciste said the commitment is to make the process more administratively feasible and less cumbersome, yet protecting the integrity and meeting the goals of the program. Ms. Parker said the California Housing Finance Agency is mindful of this issue because she knows the longer it takes for projects to sit there developers' expenses go up due to site acquisition and construction materials rising in cost.

Commissioner Dobson asked if there is a legal base for the shift of the money going under the CSS as opposed to the capital. Ms. Bataille said she is working directly with the Department to ensure that this is feasible, legal and will sustain over time. Dr. Mayberg said in reading the initiative, housing was listed in Community Services and Support as a service, so there is legitimacy in shifting the money to Community Services and Support. The attorneys are working on crafting the language to make sure it would withstand any challenges.

Commissioner Gayle said he would like to ensure that there will be staff development and that there will be some type of service to help people retain their housing. Mr. Hunter said all of the plans that are beginning to solidify will have a certified training program for property management and services staff to work in supportive housing in order to help people maintain their housing and making sure it is safe.

Public Comment

Ruth Teskarino, the lead parent partner advocate, said she was surprised not to hear about the children in this housing initiative because the Mental Health Services Act covers the adult, older adult, and teenagers and youth. She asked if the constituent groups, parents and children, were involved in the work groups. Chair Steinberg said the panel will be presenting, at the March meeting, their options to ensure that children are included in the overall housing strategy. Ms. Teskarino said she would be willing to participate and bring families to meetings if needed.

Joyce Mitchell and Ted Ross – Mr. Ross, with Ross Campbell, Inc., a media production company, said his company plans to produce a television documentary that will be a street-level view of mental health in California. The innovative issues around the housing initiative will be a big piece of what will be included in the documentary. It will air on PBS and Discovery Health, as well as distributed to schools and libraries. Ms. Mitchell said she is a consumer living successfully with a dual diagnosis and this documentary is her passion in order to raise awareness. Her mission is to document the Commission's work, to raise awareness, and to educate the public of this endeavor as California pioneers the way.

Gwen Slattery, President of United Advocates for Children of California, said she supports Commissioner Diaz's concern of leaving out families with children who have mental health issues. People lose their jobs and homes because of their children's mental health issues and to say they cannot participate in the housing initiative because the parents are not mentally ill is a major travesty for these families. She looks forward to a plan that will address this issue. She also would like to see wording to indicate that children living at home with their families, transitional age youth, would also receive support.

Coco said families get evicted because of mental health issues that their children have. They also lose their jobs due to the fact that the issues with their children are overwhelming and they have to miss day-to-day work. She said that perhaps setting aside money to assist in compensating landlords for damages might be an efficient way to make sure that the children and family stay together. Children with mental health issues and their families need to be included in the housing initiative. She suggested that it be stated that there will be funds to support the housing for children and families in order to assist children and families from being excluded.

Susan Gallinger said she echoed Commissioner's Diaz's remarks regarding the children's issues around housing. There is a need for a safety net for children and their families in terms of housing. The entitlements that are available now are not necessarily based solely on the child's disorders, and the ones that are available now are often tied to other constraints. She said we need to be careful not to leave out the children and their families.

Carol Maria Lopez said she would like to further reiterate the need for services for the children to be considered in the area of housing. Families with children who have serious mental illness have caused families to be evicted due directly to the child's illness, such as, property damage, flooding in the houses, fires, conflicts with tenants and managers. The omission of children in

this initiative would be a contradiction to CSS and there should be specific language written addressing housing in regards to children's needs.

Ruth Manzanarez said she works for Wrap Around in Los Angeles County and she supports Commissioner Diaz's comments. She said two of the families she works with have lost their homes because of their children's mental illness. It is very difficult to find any kind of housing for them.

Ralph Nelson, President of NAMI California, said the document about housing was not available for anyone to review except for the Commissioners. It is very difficult for advocacy groups to comment if they do not have something to review with their constituency at least two days ahead of time. He noted that on page 3, number 3, IMD's are not included in homelessness. He said he does not believe that there were consumers and family members included in the working group and he would like to see this corrected in the future. Mr. Nelson said NAMI does support the concept of this project and its statistics.

Patty Gainer said the California Network of Mental Health Clients has not yet formally approved the talking points today. There is insufficient funding for safe permanent affordable housing and it has left thousands of clients homeless throughout the state. Most urban market rate housing is not affordable to clients who live on disability benefits. Shelters and transitional housing programs are neither safe nor permanent. Board and care or residential care facilities are neither safe nor affordable. She recommended that the Commission review the research paper entitled, "Is Anyone Home". Supportive housing is often clustered in "mental health ghettos". Supportive housing frequently offers medical model on-site services, such as case management, medication and money management, but lacks supports that many clients seek, such as peer counseling and advocacy. Supportive housing programs require residents to comply with mental health and substance abuse treatment programs as a condition of their housing, and they face the threat of eviction if they do not comply with their treatment program. Supportive housing property managers often discriminate against clients who seek to live independently by requiring them to abide by overly restrictive, arbitrarily enforced house rules, with constant threats to penalize and evict residents who are cited for rule and visitor privileges. This policy often leads to fear, isolation and despair among tenants who seek to have visitors. Landlord and property managers often evict clients if their units are cluttered, or if they are incarcerated or hospitalized for several days and miss a rent payment which usually leads to homelessness.

Delphine Brody said that even though CNMHC has not taken an official stance, she believes there will be a welcoming of 10,000 new units of permanent affordable housing in California. The responses that CNMHC came up with to the problems Ms. Gainer listed are: (1) Housing is a basic need and must be prioritized in DMH CSS requirements; (2) Housing must be safe, permanent, and affordable and shelter, transitional housing, and board and care facilities do not meet these standards and should not be considered housing eligible for MHSA funding under DMH CSS funding; (3) More support is needed for clients who live on their own without assistance. Scattered site housing should be a priority in all MHSA housing requirements, rather than clustered housing; (4) When possible, housing should be conveniently located near public transit and shopping; (5) Housing should be about choice and not a one-size-fits-all cookie cutter approach. Clients who seek supportive housing should be able to get housed and stay housed whether they participate in a treatment program or not. Housing programs that threaten residents who do not comply with eviction should not be permitted under MHSA requirements; (6) MHSA funding supportive housing in cluster buildings should avoid the overly restrictive house rules, and particularly those that heavily regulate visitor and visitor privilege. Residents should be allowed to decide on their own set of house rules, including visiting rules; (7) Client supportive housing, offering residents the option of on-site peer counseling and advocacy, should be a

recommended strategy in MHSA housing; and (8) Landlords and property managers, including supportive housing managers of housing which is funded in whole or in part by the MHSA monies, must be trained in how to provide reasonable accommodations to residents with mental disabilities in order to prevent evictions in the event that their units are cluttered or that they are incarcerated or hospitalized for several days and miss a rent payment.

Fran Edelstein said she supports Commissioner Diaz's remarks. She asked the Commissioners to formalize their concerns about children being left out of this initiative, by adding to their motion of support today, their commitment to add children and their families to the target population and the commitment to identify strategies to serve them effectively within this program.

Jeffrey Giampetro from San Joaquin Valley, said he volunteers at Martin Gibson Socialization Center. Two days ago he had a client who became her own payee but had no credit, and needed to pay back \$400 to her board and care, and had absolutely no money to pay for the first and last month's rent on housing. She didn't qualify for an AB2034 program because it only engages the homeless population. The only alternative for her was to go to a shelter for several months until she could save enough money for the first and last month's rent. He supports the draft but is concerned about the length of time it is going to take to get this problem fixed. He asked the Commission to move as fast as it possibly can because there are desperate people in need.

MOTION: Commissioner Doyle moved that the Commission support the current draft program design of CALHFA and State DMH on the implementation of Executive Order S0706 with the following additional recommendation: that by March 2007 CMHDA, CALHFA, and DMH will consult with advocates and mental health stakeholders and bring recommendations back to the Commission regarding effective strategies to meet the housing needs of children and their families; seconded by Commissioner Diaz.

Commissioner Diaz amended the motion to clarify that when speaking of families, that parents and caregivers should be specified as well.

Commissioner Dobson said the words "in concept" should be added after the word "support".

Commissioner Doyle accepted the friendly amendments. Motion carried unanimously.

VIII. Adjourn

Meeting adjourned at 4:00